

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7169

BILL NUMBER: HB 1652

DATE PREPARED: Jan 5, 2001

BILL AMENDED:

SUBJECT: Riverboat Tax Exemption.

FISCAL ANALYST: John Parkey

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides a partial use tax exemption for riverboats assessed as real property under the real property assessment law. It allows claims for refunds on use taxes paid since 1996.

Effective Date: January 1, 1996 (retroactive).

Explanation of State Expenditures:

Explanation of State Revenues: This proposal would result in the partial refund on Use Tax paid as the result of the sale of riverboat casinos since January 1, 1996. As an example, if the selling price of a riverboat were \$35 M, the 5% Use Tax liability would be \$1.75 M. Assuming the purchaser has already remitted the tax, this bill would allow a refund of 35% of the tax paid. This means the Department of State Revenue would refund \$612,500 to the purchaser. The impact of this bill will be contingent on the number of sales and purchase price of the eligible riverboat property.

There are ten casino riverboats licensed for operation in Indiana. Since riverboat gaming went into effect in December 1995, there have been approximately six riverboat sales.

Gross Retail (Sales) and Use taxes are deposited in the State General Fund (59.03%), the Property Tax Replacement Fund (40%), the Public Mass Transportation Fund (0.76%), the Commuter Rail Service Fund (0.17%), and the Industrial Rail Service Loan Fund (0.04%).

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of State Revenue.

Local Agencies Affected:

Information Sources: Indiana Gaming Commission.